

# EDUCATIONAL ADMINISTRATION CENTER

School District of West Allis - West Milwaukee, et al.

9333 West Lincoln Avenue • West Allis • Wisconsin • 53227-2395  
(414) 604-3000 Fax (414) 546-5795



Dear Chairwoman Pope-Roberts, Education Committee Members, especially Assemblywoman Vukmir and State Lawmakers,

I am before you today to discuss Assembly Bill 461 and the importance of its passage.

- As you are aware the current law requires that school districts either tax to their full revenue limit authority or lose the ability to tax in future years for the amount they under levied. If we choose not to levy to our full revenue limit authority, we forever lose that authority to build upon for all future years. This is the law of compounding. The effect of one increase compounding on top of the previous increase adds up to much greater growth or intern without this capacity a much greater loss.
- This current law either penalizes tax payers or penalizes children no matter which way districts choose to tax. As state aid decreases, property taxes must increase. Under Assembly Bill 461 school districts would have a choice to either tax to their full potential if need be or not tax to their full potential *and not* be penalized for doing so. This choice would then not permanently impact our revenue limit authority for future years.
- In addition, while the current proposal only addresses a one year time frame for carrying this authority forward we would express our hope for continuing this opportunity on an on-going basis past the 2011 – 2012 school year.
- Bill 461 will not make decisions by school districts any easier but it will provide options to consider the community's ability to pay.

Please allow me to share the story of the West Allis – West Milwaukee School District with you which I am sure mirrors many other public school districts throughout Wisconsin.

- Last spring we were informed through the Governor's Budget Proposal that our, the West Allis – West Milwaukee School District's, budget shortfall would be 1.6 million dollars due to his proposal and the State's current Public School Education funding formula. Our property tax increase then would have been just over 3%.
- Later in the spring we were made aware that there would be more budgetary cuts during the legislative process which translated into a property tax increase of over 5%.
- With the final budget approved by the Legislature and the Governor we are currently facing a short fall of over 3.2 million dollars including a reduction in state aid of 5.3% and potentially facing over a 7% property tax increase at this time.
- Each 1% reduction in the tax levy in our district equates to over 500,000 dollars. Therefore without this legislation and if we did not tax to our full revenue limit authority the reoccurring shortfall along with the annual reductions due to the State funding formula would have an ongoing non-recoverable dramatic effect on our District, it's children, and the educational program.

The support and passage of Bill 461 will give school districts state-wide the opportunity to ease this increase on our taxpayers for this year and yet not *permanently* create a negative annual impact for our students for the future.

Sincerely,

Kurt Wachholz,  
District Administrator  
School District of West Allis - West Milwaukee, et al.